

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. <sup>1</sup>	:	
	X	

**FURTHER STATUS REPORT CONCERNING ORDER GRANTING MOTION OF  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR ORDER, UNDER  
BANKRUPTCY RULE 2004, AUTHORIZING DISCOVERY OF TITLE III DEBTORS,  
OTHER THAN COFINA, CONCERNING POTENTIAL AVOIDANCE ACTIONS**

To the Honorable United States Magistrate Judge Judith Gail Dein:

Pursuant to the Court’s order dated January 22, 2019 [Docket No. 4862], the Official Committee of Unsecured Creditors of All Title III Debtors (Other than COFINA) (the “Committee”), The Financial Oversight and Management Board for Puerto Rico, acting through its Special Claims Committee (the “FOMB” and, together with the Committee, the “Movants”), and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), acting on behalf of the Commonwealth of Puerto Rico, the Puerto Rico Highways and Transportation

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Authority, the Puerto Rico Electric Power Authority, and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (collectively, the “Recipients”), hereby submit this further joint status report updating the Court on the progress of document productions and related negotiations in connection with the *Order Granting Motion of Official Committee of Unsecured Creditors for Order, Under Bankruptcy Rule 2004, Authorizing Discovery of Title III Debtors, Other than COFINA, Concerning Potential Avoidance Actions* [Docket No. 4484] (the “Rule 2004 Order”).<sup>2</sup>

1. As explained in the Parties’ initial status report dated January 15, 2019 [Docket No. 4818] (the “Initial Status Report”), the Recipients had, at the time of that report, produced substantially all documents responsive to the Movants’ document request,<sup>3</sup> subject to certain exceptions, including that the Recipients (i) had not yet produced information concerning transfers to the Puerto Rico Government Development Bank or information concerning transfers related to pension payments, and (ii) were unwilling to produce tax payer identifying information in connection with tax refunds. The Parties established a deadline of February 15, 2019 for the Recipients to finish producing responsive documents, subject to any outstanding objections.

2. Since the Initial Status Report, the Recipients have continued to produce documents, and the Parties have continued to meet and confer as to items that remain outstanding. By the February 15 deadline, the Recipients completed production of all remaining

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Rule 2004 Order or the *Motion of Official Committee of Unsecured Creditors for Order, Under Bankruptcy Rule 2004, Authorizing Discovery of Title III Debtors, Other Than COFINA, Concerning Potential Avoidance* [Docket No. 4373], as applicable.

<sup>3</sup> The document request authorized by the Rule 2004 Order asked each Recipient to produce, for any Transfer made by such Recipient having a value of \$3 million or more during the two-year period preceding the commencement of its Title III case, “either a list of or other documents sufficient to identify: (i) the amount of such Transfer, (ii) the date of such Transfer, (iii) the Person who received such Transfer and/or the Person on whose behalf the Transfer was made, and (iv) a brief description of the nature of the Transfer sufficient to explain the purpose for which the Transfer was made.”

responsive documents, except for (i) the above-mentioned tax payer identifying information and (ii) information concerning transfers of non-cash assets.<sup>4</sup> The Recipients have informed the Movants that they remain unwilling to provide the tax payer identifying information due to legal privacy and confidentiality concerns, and the Movants are considering the filing of a motion to compel the production of some or all of such information. With regard to non-cash asset transfers, the Parties are continuing to meet and confer and are hopeful that any issues relating to the production of such information can be resolved without Court intervention.

3. In addition, as noted in the Initial Status Report, the Parties have been engaged in discussions concerning the adequacy of the information provided by the Recipients regarding the nature of each transfer and the purpose for which each transfer was made. These discussions are ongoing and have been productive. The Movants believe they can obtain all the information they need on a consensual basis but will inform the Court if judicial assistance is required.

4. Finally, the Movants have requested certain additional information beyond the scope of the initial document request, including information relating to transfers that occurred more than two years before the commencement of the title III cases and information relating to transfers of property worth less than \$3 million. The Movants hope to obtain such information informally but reserve the right to seek a further Rule 2004 order as necessary.

Dated: February 22, 2019

/s/ Edward S. Weisfelner

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<sup>4</sup> The information that that the Recipients have produced to date concerns only wire transfers and other cash payments made by the Recipients; however, the document request also encompasses information relating to transfers of non-cash assets. The Recipients have informed the Movants that such information concerning non-cash transfers is less readily available than information concerning cash transfers and the Recipients are continuing to evaluate whether and to what extent such information can be produced.

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